

Minutes of Nevada Department of Transportation
Board of Director's Meeting
September 10, 2012

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Controller Kim Wallin
Frank Martin
Len Savage
Tom Fransway
Rudy Malfabon
Lou Holland

Sandoval: Good morning, ladies and gentlemen. I'd like to call the Department of Transportation Board Director's meeting to order. I understand that the Lieutenant Governor and the Attorney General are on their way, but we do have a quorum to begin. So we'll begin with Agenda Item No. 1 which is to receive the Director's Report. Mr. Malfabon.

Malfabon: Good morning, Governor, Board members. It's been a while since we had our last meeting. It was quite eventful as you recall, but I'm pleased to report that I've done a lot to talk to our divisions here at NDOT to find out where we need to change directions, where they have some things that are already in the works.

I wanted to know about where their contracts were with consultants and service providers, so we could get a good handle on cash flow. We've been talking a lot about Project Neon, and we will present Project Neon at a later Board meeting, next month. Also did a lot of talking with individuals that were interested in positions of leadership in the front office. And I apologize to both Board members I wasn't able to contact after speaking with you last Friday, Governor, but after receiving your blessing and trying to contact some folks that I was going to offer the positions to, I wasn't able to reach a lot of the people that had contacted me about their interest, so I wanted to apologize to them as well for not getting back to them in person.

But I'm ready today to announce the leadership positions at NDOT. For Deputy Director, I've selected Bill Hoffman. Bill's got a lot of experience in different divisions at NDOT, but I saw certain qualities in his leadership responsibilities recently, that he's not defensive about NDOT when he's working with other agencies or people within the department. He's always used a lot of thought and judgment in his thinking -- I mean, his

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decision-making process and I saw that it would also provide an opportunity for the future of NDOT. I hope to work six more years, hopefully, as Director of NDOT under your leadership, Governor, if you run for reelection, hopefully, but...

Sandoval: I'm in, I'm in.

Malfabon: You and me both. But I thought that for succession planning it would be good to get someone in there that's got a few more years before retirement, so wanted to announce that Bill Hoffman will be the Deputy Director for NDOT up here in Carson City. As Deputy Director for Southern Nevada, that's a key position that somebody that works a lot with the local agencies, with the RTC of Southern Nevada, in particular, but also has the responsibility for overseeing the district engineer statewide, and I thought that Tracy Larkin Thomason was a good fit for that position.

She's worked previously in District 2. She's worked tirelessly in the planning efforts and coordination with local agencies all across the state. And when she expressed her interest in relocating to Southern Nevada, I was quick to take her up on that offer after considering other folks that had expressed interest. Tracy will do great down there in Southern Nevada.

For Assistant Director for Engineering, a lot of great candidates and this was a really tough decision for me because there are people up here in Carson City that have worked many years in engineering, understand the engineering challenges of the State of Nevada, but I've decided to appoint John Terry. He's in Southern Nevada right now as an Assistant Division Chief in project management.

John, like me, has worked for a consulting engineering company. He worked for NDOT earlier in his career, left for about a dozen years or so, working for Sverdrup Civil, became Jacobs Engineering. And he worked on the -- being project manager on that large design-build project in Salt Lake City right before the Olympics, so he's got a lot of great engineering experience.

As I mentioned, Governor, he was instrumental along with me when we approached former Director Jeff Fontaine about developing an HOV plan in Las Vegas. We saw that it needed to be a regional perspective and John was very instrumental in achieving that plan and bringing it to fruition, so

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I'm very comfortable with appointing him. I think that bringing a Southern Nevada perspective up here, as I do to the Director's position, will be good for the department.

And John is a great engineer. And I'm also moving the Chief Engineer title to that Assistant Director of Engineering. In years past that's where it was before when Susan was the Assistant Director for Engineering, and I'm going to move it back to that position, which I think is appropriate.

Had quite a struggle also for Assistant Director for Planning. There was a lot of good candidates, people within our own department. I've decided to go with someone from outside the department who used to work for NDOT, Tom Greco. Is Tom present today?

Greco: Yes.

Malfabon: Tom has worked about six years for RTC in Washoe County. And he's worked in the planning area there, primarily in the engineering areas at NDOT before he retired from NDOT. Now he's coming back to the fold and I appreciated him expressing his interest.

I think in planning, we want to get more into the -- getting an electronic STIP document rather than paper. That's one thing that I've noticed that we just need to improve on in several areas of NDOT. We need to get more electronic, more digital, use less paper and, as you know, paper will clutter your desk before you know it. It's better to just get it in an email or have it linked on a server. The STIP document is something that our folks in planning have shepherded and taken care of the whole time, but I want to get to the point where it's more of an automated process.

The entries to the FHWA for their approval would be an electronic means and get more modern in that area. And also I feel that in the planning area that we need to reach out more with the planning folks. Typically we do a good job of reaching out to the public work folks that deliver the capital improvement projects in all those local agencies, but we don't reach out as much to the planners as often as we do the public works folks, so I would like to have Tom lead that effort at NDOT.

And then with that, I have a great Assistant Director for Operations in Rick Nelson and a great Assistant Director for Administration in Scott Sisco. Definitely I think that altogether we're going to make a great team

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at NDOT and lead the way to a better future, one that's going to be more focused on cash flow and doing the right projects.

And I think that we had our division chiefs working with their assistant directors on some things to select the right projects, and we're going to go forward with those efforts, but we want to just focus on some future changes at NDOT, recognizing that we don't have as much money in the highway fund as we used to, so we have to be very deliberative and focus on the right projects and programs.

Other things to mention in the Director's Report, we underwent an audit about a year ago from the Environmental Protection Agency on our storm water program, which is part of the Clean Water Act. They didn't have any fines, I'm pleased to say, but we have a lot of work to do. We've met with environmental and the EPA as well as our state folks that deal with natural resources.

So we're going to work together and implement a better process and program here at NDOT so that we can do the right thing according to the Clean Water Act, but also avoid any kind of fines that would -- definitely we wouldn't have the wherewithal to face what other states have faced in those areas where they've received substantial fines from EPA. So we're glad that we're working with the EPA representatives. They acknowledge the fact that they were impressed that several members of our front office met with them to commit to achieving those goals in the storm water pollution prevention program.

Governor, as you know, you were part of several celebrations the last couple of months on opening 580. The Bowers Mansion Interchange will open in about a month. I-80 substantially complete, probably late September, this month. I've driven on it this weekend and a lot of the lanes are open but still some work being done there, so we'll try to get all those barrels and cones out of the way by the end of the month.

I-15 South Design-Build, Governor, you were present at the deal opening, or the celebration with the Las Vegas Convention Visitors Authority. I will be giving a presentation to the authority tomorrow morning to kind of recap the project which was funded primarily by them, as well as a little bit by Clark County for the Sunset Bridge.

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One of the issues that's been coming up a lot lately is in rural areas of the state, a lot of speed limit reduction requests and we are going to give an opportunity in public comment hopefully. I think Garth Dall wanted to address the Board about Armargosa Valley on U.S. 95. We had a request from Pioche on U.S. 93 and a small community called Palm Gardens. It's actually near the cutoff to Laughlin on U.S. 95.

So all of these small, rural communities have speed concerns. NDOT does follow a certain process as well as it's a consistent process throughout the nation for all the DOTs on how they assess that 85 percentile or 85 percent of the traffic is going a certain speed, and that's what's considered safe. So we do speed studies and we have a certain procedure from an engineering perspective.

Obviously there's personal concerns with safety in some of these rural communities, so in order to avoid liability though we follow our engineering process in establishing speed limits. We also have a study going on by the University of Nevada, Las Vegas, that's looking at consistency in establishing rural speed limits because a lot of -- you go to some rural communities, you'll slow down to 25. Others it seems like it slows down to 45 or 35. So we want to see if there are some inconsistencies and UNLV will have that report done in a few more months, but interested to see what their findings are in that aspect of rural speed limits.

Sandoval: Before you move on, there was a story in the Gazette Journal today about Texas has gone up to 85 miles an hour. Is that something we're looking at here in the State of Nevada?

Malfabon: By a show of hands? No. I think that because of our focus on safety, Governor, we want to keep it at 70. I think that that's a good balance between our long distances between some of our communities, but it's a safety issue. And as you know, in Nevada, we have a lot of straight stretches with not a lot of stuff to keep people attentive, so we want to keep it at 70, I think I would recommend. We'll have to see how that goes, though, with Texas and their higher speed limits.

Sandoval: Well, I just heard someone say they thought it was 85 already, so...

Malfabon: As I said, we will bring back more specific information on the Project Neon unsolicited proposal. This will give us time to really look at those numbers and present information individually to all the Board members so

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that they understand it clearly. Oftentimes you'll receive a Board packet and not have enough time to digest the information in it. And Project Neon's such a huge commitment that we want all of the Board members to be briefed on the specifics of that unsolicited proposal and the financial aspects of that and the risks to the state, and the benefits. So with that, that concludes my Director's Report.

Sandoval: Thank you very much. Questions from Board members? Tom?

Fransway: Thank you, Governor. Thank you, Rudy. Just one short question about the speed limit requests. Are they coming from a particular entity or is it just...

Malfabon: We typically receive them from town advisory boards or county commissions, sometimes cities or towns will send in those requests. Usually it's a government or a government related agency that sends them in. Occasionally there might be a personal letter from an individual, but typically it's associated with a local government.

Fransway: Okay. And you did say UNLV is studying that?

Malfabon: Yes.

Fransway: And when did you say that they would come back with some conclusions?

Malfabon: Is Ken Chambers in the audience? June of 2013 is the date that -- so mid-2013 is when they'll have their findings.

Fransway: Thank you, Governor.

Sandoval: Any further questions. Southern Nevada, do you have any questions for the director?

Martin: No, sir.

Sandoval: One last question, Mr. Director, is that I-80 east to get off onto 395 which is to be 580, I guess, pretty soon here permanently. I'd like an explanation why 395 won't be 395 anymore, just out of curiosity. But in any event, the traffic was queued all the way back to almost South Virginia Street. Is that just a function of that there's only one lane and soon there will be two? Going southbound.

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Malfabon: It was because of the work going on and I know that they had some accidents also last week that delayed traffic. As far as the 580 designation, it was always intended. We had to get federal approval of that. As long as the highway meets certain criteria for interstate standards, we can make that type of request, but we were able to get the Federal Highway Administration's approval and get those shield signs up for 580 so that now it's signed all the way into Carson City as 580.

Sandoval: Any further questions?

Malfabon: That also, Governor, makes it eligible for interstate maintenance funds, so that's a good thing too. That makes us more flexible in accessing federal funds for that.

Sandoval: Excellent. We'll move on to Agenda Item 2, public comment. Is there any member of the public in Southern Nevada that would like to provide public comment to the Board?

Martin: No, there's none.

Sandoval: Is there anybody here in Carson City? Yes, sir.

Operator: Hello. Welcome to the conferencing system. Please enter the conference number followed by the pound key or press star to create a new conference.

Hof: Good morning. My name is Dennis Hof, Garth Dull represents me and he couldn't be here today, so I'm here to give --

Operator: Please enter the conference number followed by the pound key.

Hof: I don't know it.

Operator: Or press star to create a new conference.

Sandoval: Excuse me, Mr. Hof. Is there a technical issue that we need to handle? Please proceed.

Operator: Please enter the conference number followed by the pound key or press star to create a new conference.

Hof: So just go for it?

Sandoval: Yes, please.

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- Hof: Okay. I'll make this brief. I just had a knee replacement so it's a little hard for me to get around. I bought a piece of property in Southern Nevada, right at the corner of Intersection 95 and 373.
- Operator: Please enter the conference number followed by the pound key or press star to create a new conference.
- Hof: It's a combination of a truck stop, gas station, restaurant, bar, convenience store and a brothel. And as I bought this property, I didn't understand the traffic patterns there. And what it is it's 70 miles an hour coming from Beatty or coming from Indian Springs all the way. People don't slow down...
- Operator: Please enter the conference number followed by the pound key or press star to create a new conference.
- Hof: ...in this area. (Inaudible) brothel than the population of Luning, Mina and Goldfield combined every day. And you have a lot of tourists there coming to Death Valley on the 373 which is very confusing. It's a very dangerous area and I'd like to get that speed limit lowered to just like Goldfield, Tonopah, Mina and Luning and Indian Springs, 25 miles an hour. I've got letters from the state assemblymen. There's also a letter from the Armargosa Town Board that went to NDOT. And that's my concern. We need to slow that traffic down before it becomes a huge problem.
- You've got all these tourists coming through there. They don't know where they're going. They're European tourists. They're looking to go to Death Valley. And then you've got the truckers rolling through there and as everybody knows, 70 doesn't mean 70, 70 means about 79 because they'll ticket them at 80. The NHP does not ticket until you get to 80. And everybody knows it, including myself, so I need your help.
- Sandoval: Thank you, Mr. Hof. I won't comment on the NHP. I'm sure they have their own policy, but I would encourage you to work with NDOT staff because, as you've heard the Director's Report, there were some other communities that had requested reductions in speed limits, so that's certainly front and center with regard to some of the issues that are before the Director.
- Hof: Thank you.

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- Sandoval: You're welcome. Is there anyone else present who would like to provide public comment to the Board? Hearing none, we will move on to Agenda Item No. 3, approval of July 23, 2012 Nevada Department of Transportation Board of Director's Minutes. And I think we set a record for the number of pages and length of time, but whoever did this, thank you. I know that was a lot of work to get this down. But do any Board members have any changes or corrections they'd like to make? Hearing none, the chair will accept a motion for approval.
- Wallin: Move to approve.
- Martin: Second.
- Sandoval: There's a motion by Madam Controller for approval, second by Member Martin. Any questions or discussions on the motion? Hearing none, all in favor, please say aye.
- Group: Aye.
- Sandoval: Opposed, no?
- Cortez Masto: Governor, this is Catherine. Because I wasn't at the meeting, I'm going to abstain from approving the Minutes.
- Sandoval: All right. So the vote is unanimous in approval. Madam Attorney General has abstained from the vote. Agenda Item No. 4, approval of contracts over F dollars.
- Malfabon: Governor, Scott Sisco, Assistant Director for Administration, will address this.
- Sisco: Thank you. Governor, members of the Board, before I get in on No. 4 real fast, I just want to give you an update on the aircraft situation. The recruitment has closed now. We're waiting on HR to go through the applications for a chief pilot. Hopefully, probably three weeks we're going to be down. We'll get the chief pilot positions filled and then, as you all know, or most of you that fly the plane regularly know, the secondary pilot also left his position. And as soon as we get the chief pilot filled, we'll get that position filled.
- Now, depending on if they have a certain number of hours in this particular plane, it may take us a little while to get them certified and into

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it, so we are probably looking at still probably three to four more weeks of you making alternate accommodations. And I apologize. It happens when you have a small flight operation, but we'll get on it just as quickly as we can.

Sandoval: Thank you. And just a comment. We're going to miss Marcus and Brian. They were wonderful public servants and they did a great job for our state and I wish them well. But I also understand that we're taking advantage of this time to do any deferred maintenance that needs to be done on the planes.

Sisco: That is correct. We actually have it in Sacramento right now trying to get some things taken care of.

Sandoval: Okay. Great. Member Fransway.

Fransway: Thank you. Scott, when did you say you were going to be taking the applications?

Sisco: They've been taken and the recruitment closed, I believe, last week. And HR, like I say, is going through them. One of the difficulties is the class specification calls for 300 hours in the previous year on that exact plane and we're looking at that. Hopefully, we're going to get some good, qualified apps. If not, we may end up having to slightly change it. In the future, when we look at that class specification, we may take it for that type of plane versus that specific plane, turbo jet.

Fransway: Thank you. Thank you, Governor.

Sisco: Thank you, Governor. I apologize for jumping in there, but I know I've had several questions and there's some interest there, so I thought I would go ahead and take advantage of that. Moving on, Item No. 4, approval of contracts over \$5 million. This particular case this month we just have one contract, and this is unique. You'll notice a slight change in the memo because this is a CMAR agreement for the Moana Lane Interchange.

On Page 3 of 23, after Attachment A, you will see we're recommending awarding of this contract to Granite Construction in the amount of \$6,970,978. This is a little bit confusing because right above that, you'll see it says Surety Consultants at a \$6.9 million. That's actually our independent cost estimator's amount. The way that CMAR works is we plugged that in there to make sure that we're on track as we go through

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this process. And Granite Construction is who we are recommending award to. Now, I do have Bill Hoffman here. If you're interested in hearing more about this project, I will get him up here.

Sandoval: Questions from Board members? Madam Controller?

Wallin: Yes, I have a question on it. Since this is -- and CMAR's new to me and to the Board as well. Maybe the Board understands it better than me here. But we have in here, in the contract, we're giving them a risk reserve of \$280,000. And my understanding of the CMAR is that the contractor takes the risk and we talk about the significant terms and conditions of construction documents starts out, says, "All costs associated with change orders or extra work resulting from conflicts, ambiguities, errors or omissions in the documents will be borne by the contractor without reimbursement by the department."

The next item says that, "In no case shall the amount paid to the contractor exceed the GMP construction bid regardless of increases or decreases in the actual quantity of any particular item." And then we have a risk reserve, so I'm kind of confused what this is. And if the contractor doesn't use it, if we have to have this, do we get this money back? That's my other question too.

Hoffman: Good morning. Bill Hoffman, for the record, Governor. To you, Madam Controller, there were a series of risk workshops that Granite and NDOT and Stanley consultants worked through during the course of the negotiation and they identified four risks; high ground water, coordination with the RTC widening project that's currently going on, underground utilities and weather delays. Those were risks that they tried to mitigate and avoid the best they possibly could, but there was still some risk left that we needed to share with the contractor.

Just in terms of our normal project process, design-bid-build, there were still risks that we thought we mitigated to the best possibility that we could of mitigating those, but we have parked those in this risk reserve area of \$280,000. So if we get into one of these areas or a couple of these areas and we need to pay for this work, we're going to have to go into that risk reserve. If we don't use any of the risk reserve, that \$280,000 is a savings to the State of Nevada, so it will not be used.

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- Malfabon: Madam Controller, just to add, it's really case of do we want the contractor to bid that risk and then we pay that without them running into that problem, or do we want to share that risk and then we'll end up paying rather than them getting a windfall or them getting an out-of-pocket to the extent that it really hurts them on making a profit. So it is a philosophy that we commonly see on these where we have to share the risk.
- Wallin: Okay. Thank you.
- Sandoval: Any further questions from Board members? Member Fransway?
- Fransway: Thank you. I just noticed on the first page where it mentioned in the background that there was a separate preconstruction agreement. And this is our first CMAR, but will there be -- will that be the norm or is separate separate?
- Hoffman: Actually, I had this prepared, so I might as well use it.
- Fransway: Because it seems that it was very beneficial for the department.
- Hoffman: Yes, Member Fransway, I would agree wholeheartedly that this was a very, very good process and it was a huge benefit for NDOT, State of Nevada. I want to thank Granite Construction, Stanley Consultants, Jacobs Engineering and all the NDOT staff that worked on this. They did a tremendous job, but what I was going to go over very briefly was just the process here.
- So this was the process that the Board approved back in December. In March we did move forward. There was an approval to move forward with this process, so we had negotiated the preconstruction contract. So those are the services that the contractor will come in during the design phase and help NDOT understand the project.
- And then we're here today and that's Board approval of the GMP and all the documents that you have in your binder. And we will, just as a note, we will be back next month and the month after with Board approval for the preconstruction services piece of future CMAR contracts.
- Fransway: Okay. So basically then, the memo that states it's a separate preconstruction agreement really wasn't separate? It's part of the process.

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- Hoffman: It's part of -- yes. It's part of the process and it's part of the project, but there are two phases in this process, because if we move forward and have the contractor come in and help with the design, we still have the option. If we can't reach a GMP, we still have the option to advertise the project.
- Fransway: Okay. Thank you, Governor.
- Sandoval: Any questions from Southern Nevada?
- Martin: Yes, sir, I have two. The \$500,000 that we previously awarded is included within the \$6.9 million; is that correct?
- Hoffman: That is correct, Member Martin.
- Martin: And the 6.9 -- I'm sorry, go ahead.
- Hoffman: Well, what I was going to point out is if you turn back to the -- we actually included a bid tab, a series of -- well, it's actually the bid tab sheets for this project. Anywhere you see state furnished items, those are the items that we went out with and purchased earlier. That was part of the amendment that we made to the precon services contract. But anywhere you see installation of state furnished materials, those are the items and those are part of the 6.9 million, yes.
- Martin: Can you tell me what page that's on, 'cause I haven't found it yet?
- Hoffman: It is -- well, it's in the very back of your packet, Member Martin.
- Malfabon: It's on Page 5 of 8.
- Martin: Okay. Now I've got it. So just to clarify one more time, the 500 grand that we approved for pre-purchase of materials is included in the 6.9?
- Hoffman: Well, I just had -- Jenica Fenidy (sp?) just came up, she works in project management. The 500,000 was the purchase just for the material. That was just to buy the materials. Now we're paying the contractor, so that was separate, so that material purchase is separate from the 6.9 million. What we're doing is paying the contractor to now install the signal poles, the soil nail walls, you know, some of those other long lead items that we needed previously.
- Martin: So the true budget on this thing is 7.4?
- Hoffman: Yes, that's true.

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Martin: And how much was the preconstruction contract?

Hoffman: We paid Granite, so far, I believe it's \$280,000.

Martin: And that's not included in the 6.9 either?

Hoffman: No, it is not.

Martin: So you're really talking about \$7,700,000, not 6.9 million?

Hoffman: That's correct.

Martin: Okay. Could I request the next time you present one of these things you give us the entire picture?

Hoffman: Yes, sir.

Martin: Len, do you understand where I'm going here?

Savage: Yes, I do, Member Martin. At the same token, I would like to commend the staff and the contractor. I know, I look back on the March and April meeting minutes and very close to the original budget amount. And I know there's a very quick start and completion on this project, completion by mid-November. And I think that's exactly what the CMAR project process is for, but I'm in agreement with Member Martin, for future, that the entire numbers be presented. That's all I have at this time.

Martin: I agree. In this instance CMAR does work and I'm a supporter of CMAR absolutely, but I just -- without having to go back one, two or six months, when we're asked to approve something finally, I think it behooves us as a Board to know exactly what the total commitment has been from the State of Nevada.

Hoffman: Okay. That was an oversight on my part, so I apologize, and we'll make sure that we have all costs associated with the next CMAR project when we present at each stage throughout the process to ask for approval.

Sandoval: Just have a cumulative...

Martin: Thank you.

Sandoval: ...sheet from here on.

Hoffman: Yes, Governor.

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Sandoval: We're good.

Hoffman: That'll be no problem.

Sandoval: Any further questions? And will you be this close on all the estimates in the future?

Hoffman: We hope so. Actually, through that process, we think we can get that close. We think we can. We do. We worked with a very good contractor, Granite Construction Company. NDOT staff did a wonderful job.

Sandoval: Very impressive.

Hoffman: It was good.

Sandoval: Any further questions from Board members? Hearing none, the chair will accept a motion for approval.

Savage: Governor...

Martin: So moved.

Savage: I'd like to make a motion to approve Contract 3518 to Granite Construction.

Sandoval: And that would be in the sum of...

Savage: \$6,978,978.

Sandoval: There's a motion by Member Savage, a second by Member Martin. Question from Member Fransway.

Fransway: Thank you, Governor. Do we need to make reference of the other costs that were involved in preconstruction as we discussed?

Sandoval: I think not because we already approved those.

Fransway: Okay.

Sandoval: As I said, I think the point today is just if we have a running total of how much the cost of the project is, that'll be beneficial to the Board. Any further questions or discussion on the motion? Hearing none, all in favor, please say aye.

Group: Aye.

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- Sandoval: Opposed, no. Motion passes unanimously. Thank you very much. You did great work.
- Malfabon: Thank you, Governor. And we will request that you be available after the Board meeting adjourns to sign the contract so that we can keep going on the project.
- Sisco: Thank you. Governor, I'll just mention on there, when we put this package together, we were trying real hard to be consistent with previous contracts, so in the future, what I heard here today was if it's a CMAR, we'll just add an additional summary on there and then reference it. But we were trying to keep -- we worked so hard to get a format down that moved smoothly for everybody, that I know Bill took the blame, but mostly it was mine in trying to get the format here.
- Sandoval: And, again, I don't think anyone's being pejorative here. It's just a matter of being up-to-date on what the costs are, and we all learn. This is a new process, and so we've learned something today and we will include that in future CMAR contracts. That's all we have for Agenda Item No. 4, correct?
- Malfabon: That's correct.
- Sandoval: All right. Well move on to Agenda Item No. 5, approval of agreements over \$300,000.
- Sisco: Thank you, Governor, members of the Board. Behind Tab No. 5, and in particular on Pages 2, 3, 4, 5 and 6, we have four different agreements that are over \$300,000. Most of them are just regular type of operating agreements. I'll just kind of open it up if there's any questions that you all would have on those four agreements.
- Sandoval: Questions from Board members with regard to Agenda Item No. 5.
- Savage: Yes, Governor.
- Sandoval: Member Savage.
- Savage: Thank you, Governor. It's regarding Line Item No. 1 to Mandalay Communications Incorporated. I'd just like to know has this been done historically? And if so, how long and where?

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Larkin Thomason: Tracey Larkin Thomason. Yes, it has been. This is a slightly different form this year. We have been doing this for at least a dozen or more years that I'm aware of. Basically, they go out and they take pictures. They run. It's a photo logging of all the highways, and it's used as a reference system within the department. You can access it online so you can quickly check, like, number of lanes, lane widths, signage.

This year it's a little bit more, we combined with the materials division and with the location division so that when going out we're also picking up additional information specific to their areas. So it's one contract covering three divisions instead of having three different areas go out.

Savage: Thank you, Tracey. And has this contractor worked for the department in the past?

Larkin Thomason: Yes, it has.

Savage: On the same issue?

Larkin Thomason: Yes.

Savage: Thank you.

Sandoval: Further questions from Board members?

Wallin: Governor?

Sandoval: Madam Controller.

Wallin: Thank you, Governor. I have a question on Item No. 4, that's the Clean Street. There's only one bidder on that. Can you comment and...

Sisco: Let me bring...

Wallin: Have they done work for us before and...

Malfabon: Madam Controller, Clean Street has worked for us before in District 1. We had identified street sweeping and highway sweeping as one of the areas that we could contract out. We put several requirements in there so that we know that we avoid the problems that the City of Sparks had with their sweeping contract when they privatized some of that work. We still intend to keep our sweeping crews busy.

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Often we can increase the frequency on some of the other routes that we sweep, but we feel that even though that it was only one bidder on this, it's very specialized work and they have to use specialized equipment for air quality purposes. So we were comfortable in proceeding with the agreement.

Wallin: Okay. Thank you.

Malfabon: We will also have a report to the Board about the pros and cons of this type of proposition effort, collecting the information that's -- the part in the contract and will present that to the Board later after we have enough information to assess how effective this program is working.

Sandoval: And that was going to be my question. So this was work that was formerly done by the department that we're now outsourcing?

Malfabon: Yes. So it's a certain amount of what we call arterial streets in Las Vegas. This one is freeway sweeping in District 2 in Reno, so we'll get a good take on both types of sweeping operations and how they do it effectively and compare the costs to what in-house is.

Sandoval: So this is exclusively for freeway sweeping 'cause my next question was are we cleaning some of these -- is this an expense associated with our cleaning of roads that are state highways but are more local streets?

Malfabon: Yes. The one in Vegas is more local streets and we'll have that comparison in the report.

Sandoval: Madam Controller?

Wallin: So you'll come back to us with what their performance is and...

Malfabon: Yes.

Wallin: ...what it would cost us and stuff. And then to that same point, I know, I think last time we met we approved the striping contract or whatever that's performance-based and you'll give us some follow-up on that too as well.

Malfabon: Yes.

Wallin: Okay. Thank you.

Sandoval: Are there any questions in Southern Nevada?

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- Martin: None from here. Thank you.
- Sandoval: Any other questions from Board members? Hearing none, the chair will accept a motion for approval of the agreements over \$300,000 as described in Agenda Item No. 5.
- Fransway: Governor, I would move to approve the agreements over 300,000 as presented.
- Sandoval: We have a motion by Member Fransway. Is there a second?
- Wallin: Second.
- Sandoval: Second by Madam Controller. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.
- Group: Aye.
- Sandoval: Opposed, no. Motion passes unanimously. We will move on to Agenda Item No. 6, contracts, agreements and settlements.
- Sisco: Thank you, Governor. You'll all notice that you have quite a collection of them this time around. You basically have three months worth 'cause we didn't have a meeting in July. In August we set aside information only items as a result of the interviews and everything else (inaudible) so you have three full months worth here.
- As we always do, we've reviewed these prior to the meeting and went down and looked to see if there was any that we wanted to specifically call your attention to. We really didn't have that, so I'll just open it up to any questions and everybody here is prepared to respond to any of the specific ones you may have.
- Sandoval: Thank you. Questions from Board members?
- Savage: Yes, Governor.
- Sandoval: Member Savage.
- Savage: Thank you. Mr. Sisco, I have a few items of questions here, beginning with Line Item No. 25 with Clean Harbors Environmental on the culvert cleaning in Lake Tahoe. Rudy had acknowledged that there had been some environmental reviews and audits. And I'd just like to be reassured that the contractor is partnering with the department in the same respect

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with this audit and any concerns they might have. I guess what I'm asking, have there been any issues with the contractor regarding this culvert cleaning in Lake Tahoe?

Hoffman: Good morning. Bill Hoffman again. Line Item 25, this is at the south end of Washoe Valley and was part of McClary (sp?) legal settlement and we're outsourcing the cleaning of these reinforced concrete boxes as part of that settlement.

Savage: So it's more than Lake Tahoe?

Hoffman: It's part of that, so we've amended the contract to include cleaning of this reinforced concrete box. We needed it done on short order, and in order to save the state money in terms of state forces work and to free up and to be flexible with our district maintenance folks, we decided to outsource this work.

Savage: So it was an extension of the current contract?

Hoffman: Yes.

Savage: Okay. Thank you. Next question, Governor, is No. 55. On this lease if you could please explain to me, it comes out to about \$12,500 per month and what takes place on this property?

Sisco: Let's bring up our Right of Way Chief here. Paul.

Saucedo: So for the record, Paul Saucedo, Chief Right of Way Agent. Mr. Savage, that's a piece of property that we're currently in discussions with. We've made an offer on the property. And a lot of times when a tenant will move out of a piece of property, we will rent that property to hold vacant, to avoid damages to the property. And so this is part of the federal program that allows us to do that. And so we are leasing it; we are in ownership of it, or not ownership, but possession of it as far as the lease is concerned, but this is really part of the acquisition process and part of ongoing negotiations with the property owner.

Savage: Is it occupied by the department?

Saucedo: No, it is not. It's vacant.

Savage: And it's a structure?

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- Saucedo: Yes, sir, it's part of the Neon Project. We're going to be acquiring the entire parcel. And the tenants of that property have vacated and so this is a lease from the actual owner to hold vacant.
- Savage: And how large is the property?
- Saucedo: I don't have that off the top of my head, I'm sorry.
- Malfabon: Paul, the lease amount is typically determined from the amount of the appraisal of the property, right? There's a certain process that you use to establish the amount of the monthly...
- Saucedo: Yes, sir. I'm sorry, that's what you're getting at. Yeah, the appraisal will set that lease rate or depending on what the actual property owner was receiving for that lease, and I believe, in this case, we matched what the property owner was receiving because he did have a lease with the tenant, long-term lease. And so this is kind of a loss for him, or for them, because their tenants are now gone, and so we've picked up that lease -- actually, entered into a new lease, but we picked up that amount from that existing lease.
- Savage: So he still benefits with the revenue of the lease, but I would imagine that this is a final negotiation where this \$150,000 would come off the final sale price?
- Saucedo: Well, no. Because it's kind of more of a loss of income. He would have received this -- if we wouldn't have shown up on the doorstep, that tenant would still be there, and so because of our relocation program, we relocated the tenant, and so we're picking up this loss. This is kind of a loss for the property owner. In other words, if we wouldn't have come along, this lease would have been ongoing, he would have been receiving the income from that lease, and because of our actions, his tenant has now vacated and we're trying to maintain that so we don't have a loss of income for that owner.
- Savage: I'm just concerned about the department's action and concerned of occupying the building, possibly by the department.
- Saucedo: That's something we could look at. Like I said, we do have a lease with the property owner. We could look at that as an option. It's something we'll put forward to the district to see if there's some need.

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- Savage: Okay.
- Saucedo: We can do that.
- Savage: Thank you. Moving on to the next item, No. 8...
- Sandoval: Member Savage, before you move on, may I ask a question in regards to the 55? So how long do you expect to be paying the lease amount for the empty space? I guess that's one of the...
- Savage: That's the key question. That's what it looks like here.
- Saucedo: On this particular one, Governor, it's going to turn into a legal question. We are negotiating with the property owner. I would imagine at the time that we obtained legal right of entry from the courts, that would be when we would stop that payment. But this particular property, it will be referred for condemnation I believe soon, if it already has not.
- Sandoval: No, and I understand the policy of it. It's just, if I may, I think Member Savage's concern and my thought was we're paying a lot of money for an empty space and we'd like to convert that money to a purchase rather than continuing to pay for that.
- Saucedo: Yes, sir.
- Sandoval: Please proceed, Member Savage.
- Savage: Thank you, Governor. Moving on to Line Item No. 87. Again, the tech side is not my (inaudible), so please understand, but what I was noticing, the original contract was a \$10,000 amount issued in June of 2010 and now we're at \$594,000 in June of 2013. And I guess my question is, I just wanted a little explanation as to why the small amount to begin with and why the 594.
- Sisco: We've been trying to get more narrative into these descriptions and there's two different things that you see on here on a regular basis; approved by the BOE or these MSA contracts. And in order to try to get everything out and open and be as transparent as possible, we've been putting these on these things. But these are actually a state purchasing contract. And what we do when we need something from a master services agreement, from state purchasing, we go out. And in this particular case, they started way back when and they got this database administrator and the initial

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agreement for whatever period of time it was that they gave to, through this MSA, through state purchasing, to this contractor was for \$10,000.

And then, literally, each month they go back or a couple months at a time they'll go back, project that they need him for this much more time and this much more time. So that's one of the things that I've discovered is going through these and trying to add up original plus a minimum, plus a minimum, plus a minimum, they just don't because we give these agreements in that amount of money, but we may not ultimately use that amount of money. It's an estimate on what we're going to use, and it's state purchasing's contract. So it's somewhat confusing to the process because we're trying to put them out there so you all see them, but the numbers never add up.

Savage: So I guess my next question is, what time would it go out to bid?

Sisco: They state purchasing division goes out to bid on these MSAs every two years.

Savage: Every two years. Okay.

Sisco: But you don't see those through us because the Board of Examiners sees them.

Savage: Okay.

Sisco: They're multi-million dollar contracts.

Savage: Thank you.

Wallin: Governor, can I do a follow-up question on this? I know that the state has lots of these MSAs and we have all these computer consultants and what have you. And in our office, if we have to hire people from the outside, we make sure that we train somebody inside so we don't have to keep hiring because they're doing work for the state on the outside. The lowest one we've seen was 125 an hour and usually they're \$250 an hour, and we're paying our people maybe \$40 an hour. So are you guys trying to take that knowledge transfer and put it in-house so we can...

Sisco: It's actually -- yes. And I'm glad you brought that up because it's a little bit of both. One is yes, wherever it's a temporary program that's not going to go on, we have an end date on these and we try to transfer that

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knowledge to our people. But in our budget process that's being submitted at this time, we've actually taken five of these MSAs that we've identified that we could hire state employees less expensive for and convert them to FTEs and we'll actually have a sizeable savings. It'll be a decision unit within our budget that will be a negative amount because we will pay less for a state employee than we will.

There's some of these, such as database administrators, we just can't compete. For what the state pays for IT people and database administrators, we just can't compete on them, but we have identified the majority of them where we can convert them over to state positions and save money.

Wallin: Yeah, I know it's hard for the database administrators. I mean, we lucked out in our office. We do have somebody that does that so we save money. But the savings are substantial. I think we've saved probably about \$900,000 by not having to go outside this last year, so...

Sisco: It is, and we're trying to do that wherever we can.

Savage: And the last question, Governor, would be Line Item No. 89. Just need a further explanation on the amount that was granted to HDR. To me it looked like the original amount was 1,485,000. The new amount is 3,194,000, which is almost double the original amount and it says allowing for contract closeout. And that just caught my eye. I would like to hear further explanation.

Hoffman: Governor, Bill Hoffman, for the record. The amendment that actually adjusted the cost or increased the funding amount for this was approved July 18, 2011. So I went back and dug into this a little bit knowing that this would probably garner a question. What we're working on just today is just to extend the -- we've just extended the contract timeframe to allow closeout of that project. So in order to wrap that project up and get it complete, we needed a little bit more time.

We weren't going to add any scope or budget at this point, but just over a year ago, we did add -- we did take it from 1.4 million to 3.1 million. The contract or the agreement was for original procurement support, so when we went out and solicited for proposals, HDR was assisting us in doing that. So with their knowledge that they brought in, design-build

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knowledge, procurement of design-build contractors, and going through that process, that's who we had hired originally for that 1.4 million.

Now, as we were moving down the path and we were starting down the design-build contract side, we needed support services, consultant support services, to actually help administer the projects, so project management support. We also had design review support and all of those support activities and services that are part of a design-build contract. And because HDR was so familiar with that contract and those services to procure, we amended the agreement and allowed HDR to then continue those services during the construction phase of the project, design and construction.

Savage: So, Mr. Hoffman, simply said, this is much more than contract closeout?

Hoffman: Yes, yes, it is. It is. So the description or the note probably doesn't do it justice or service. The time extension that we just went through is to help -- we're looking beyond the closeout time period. We want them to help us do that, is close that project out. I know you and other Board members are very concerned about closing projects out as quickly as we can, and we're having HDR help us do that; develop procedures, processes, guidelines to do that for all design-build projects. So we're just trying to get to the tail end. So to hurry up and answer your question, it was more than that originally.

Malfabon: That is a standard on design-build contacts, we procure the -- or we get into an agreement with that firm to help us procure the design-build firm, and then we have a second -- we have an amendment to add those services should we decide to go forward with the project.

Savage: Okay. Thank you, Mr. Director. And thank you, Mr. Hoffman. You answered my questions and I think it's something we can discuss further at the next CWG meeting as well. So I thank you for your answers. Thank you, Governor.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. Could whoever, I just need an explanation on something that's foggy for me. And I want to go back to Line Item No. 25, King Harbor's Environmental culvert cleaning, Lake Tahoe. I notice on the note that it states legal settlement requiring the cleaning of box

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vaults and culverts under 395 and old 395 at the southern end of Washoe Valley. Was does that have to do with Lake Tahoe?

Hoffman: Member Fransway, Bill Hoffman, for the record. It doesn't have anything to do with Lake Tahoe per se. What we wanted to do is bring a contractor onboard immediately so that we could abide by this legal settlement of having the box culvert cleaned as soon as possible, right away, and then on an as-needed basis, at least annually. But it's the same contractor that is helping us clean out drop inlets and do, you know, sediment removal from Lake Tahoe.

Fransway: Okay. What I understand, it relates to regulations established by the TRPA. And some time ago I asked Ms. Martinovich if the State of California was also participating in the effort to keep sediment out of the lake. Obviously, Nevada is and being that that's a regional treasure, I want to make sure we're not the only one that is onboard to protect it.

Hoffman: Yes, Member Fransway, that is taking place. Caltrans is towing the line, so to speak, and they're in this with us just as much and we're all trying to reduce sediment load into the lake, work on total maximum daily load, this newer, more stringent process of the lake. But this box culvert is separate from the Lake Tahoe work. It just happens that that same contractor is doing work up at Lake Tahoe and down in Washoe Valley just because they could respond very quickly.

Malfabon: I think that what we can gather from the Board's concern is that we need to look a little bit into procuring these services rather than extending or amending agreements to get more competition and get a competitive bid on these. We do have the ability to do the smaller contracts using a quote process if it's an issue of timeliness. We can get those done very quickly. So we'll take those concerns to heart and try to have competitive bids on these rather than amendments to existing agreements.

Fransway: Okay. Thank you. Thank you, Bill. Thank you, Governor.

Sandoval: Further questions from Board members?

Wallin: Yes, Governor.

Sandoval: Madam Controller.

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- Wallin: Line Item No. 100. That is Solberg Ovenchink (sp?) Consulting. They're doing government-auditing services. Can you just comment on what they're providing for us or what they're doing?
- Malfabon: Each one of our agreements has to be audited and this is for internal audit division to have outside assistance in closing out our projects in a more timely manner. They do the auditing that we would normally do in-house with internal audit. Typically all consultant agreements, all of the federal aid agreements are audited so that we make sure that if we find that either we owe them money or they owe us money, the auditors find that out and then we act upon those findings.
- Wallin: I know that one of the issues that came up in CWG is the fact that when our own internal audit does the audits on the closeouts, they audit 100 percent of everything, which is not what you do in auditing. You do a risk assessment. Is this the same company that's going to design a manual so our staff can start doing a risk assessment?
- Malfabon: No. I think it's a separate company and it is two different things. One is the agreements that are audited are usually using the best practices for auditing, for CPAs. But what we're talking about, 100 percent audit was on the construction projects. We check 100 percent of the bid items, so every quantity is checked in those documentation books that we keep. On these agreement audits, it's a different process and they don't do 100 percent. They do the standard practices for generally accepted accounting purposes.
- Wallin: Are these the ones that are auditing our consultants to make sure our consultants have done the performance or is this...
- Malfabon: Yes, they do audit consultant agreements.
- Wallin: Okay. Would it be possible to share with the Board the results of some of these audits?
- Malfabon: Sure.
- Wallin: Their audit report? Thank you.
- Sandoval: Questions from Southern Nevada?
- Martin: None here, sir.

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- Sandoval: I have just a couple. Contract 37, the contract with the Tahoe transportation district and the bikeways. Whereabouts are those, do you know? It says Douglas. I know it's Douglas County, but specifically where in Tahoe.
- Hoffman: Bill Hoffman, for the record. Tracey, I'm not -- is this the bike path? So this is between Nevada Beach Road and South Shore Stateline; is that right? I know I kind of answered with a question, but we believe that this, yes, is from Stateline to Nevada Beach Road or Elks Point Road. There's a portion of a multi-use path that needs to be completed. It's part of the Tahoe Transportation District's regional plan and it's just part of that...
- Sandoval: I'm glad to see that. I just wanted specifically where it is and it alleviates traffic up there and gives an improved outdoor experience for the people who go up there is a good thing. I was just curious specifically where it is.
- Hoffman: Sure. And we can provide all the Board members with maybe a little one-page info sheet on the project, where it is, how it's going to be phased and funded. Would that -- we could do that if it would be helpful.
- Sandoval: No. And, again, this is me putting on a few hats, but we're working on it with the Department of Tourism to continue to portray Lake Tahoe as such a great destination, and if a piece of that is the hiking and the biking, that you can do things up there that you can't do anywhere else, and the accessibility. And if we can continue to work together, so if you could provide that to Tourism as well, they're coming up with a new branding plan and a big piece of that is going to be the outdoor experience that you can have here. And the more they're familiar with the resources that we have, the better.
- Hoffman: Will do, governor.
- Sandoval: So that's what that is. And then on 47, which is the funding for historical markers, and this is kind of, again, where I've been having the opportunity and privilege to be seeing a lot of faraway places in the State of Nevada, and those historical markers are a great part of that experience. I know there are a lot of people that like to have their picture taken and want to have their picture taken by every single one of those. So the contractor is the State Historical Preservation Office?

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Sisco: That is correct. And although this is under another division, I used to be over that department, so I can share, the State Historical Preservation Officer receives money from us in order to hire somebody that goes out and restores and adapts those historical markers throughout the state.

Sandoval: So the State Historical Preservation Office will, in turn, find a contractor to take care of that?

Sisco: That is correct.

Sandoval: Okay. That's all I have. Member Fransway.

Fransway: Thank you, Governor. As you mentioned, Line Item 37, I just have a question on that. Would that be a potential funding resource for the TIGER Grant?

Malfabon: I think that this one was funded by -- is this the SNPLA? Oh, this was with the...

Larkin Thomason: Tracy Larkin Thomason. I'm not sure I'm going to be able to answer it fully. There was a large number of funding sources for this and the primary project, of course, is from the Tahoe, the TRPA, I'm sorry, Tahoe Transportation District has been putting it together. We are participating with them on different sources and they applied for some -- the project's middle program, they've got some money via that from us.

There were some other funding sources. And I'm sorry, I don't have all of them off the top of my head. But it could be, and mostly likely they have put in for different grant monies, but I don't know -- I know it has not been successful going for TIGER and I do not believe it's been one of the ones that was submitted. Normally we submit for about four or five TIGER Grants throughout the state and it usually has to be ones that are very ready to go and they're usually considerably more. We're usually asking for much larger amounts than this type of project.

Fransway: Okay. The reason I asked that is it was brought up to me by Douglas County and they were concerned that we did not get the TIGER Grant allocation last time. And I explained to them that it was kind of deferred to Arizona because of the situation with the bridges and that. And he mentioned it and I believe his concern was this project, about the bike trails. And so I just want to go to him and tell him that the bike trail was still funded.

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Larkin Thomason: The bike trail for Southern Nevada -- which is the Douglas County. I'm sorry. South Shore demo. The South Shore demo for the bike path is funded.

Fransway: Okay.

Larkin Thomason: They did lose some funding -- which funding was it? Dennis, it wasn't SNPLA. I can't remember if it was SNPLA Funds or some other funding that they -- it was a question, I'm sorry. It was like Question 10, so they had lost some funding up there with that. Some of that was made up with the project submittal funding, which NDOT did. It went through a bidding process within NDOT. It was prioritized and it met the criteria and we've provided the funding for that portion. This is the Phase 2A and I think there's another one, 2B, coming up which is one of our CMAR projects. It'll be coming up soon. Does that answer your question?

Fransway: It does.

Larkin Thomason: One thing about the TIGER Grants though, it is the federal government when it goes in that actually does the selection of what gets forwarded -- I mean, what gets allocated.

Fransway: Okay. Thank you, (inaudible). Thank you, Governor.

Sandoval: Hearing no further questions, Agenda Item 6 is an informational item only, so we will not be taking any action on that. We will move on. Unless you had anything further?

Sisco: We have, yes, two more sections there. That was B and we have C. Sorry. 6C is emergency agreements. We have two emergency agreements to tell you about under Attachment C. And it's basically just the continuation of the FAST program in Northern Nevada as well as in Southern Nevada during the time in which we're trying to complete the RFP process. As you all recall, we had some concerns on the MBE requirements and what not, so we took it back out to bid, and unfortunately it's just not going as fast as we would like, and so we had to extend it yet again. And I won't promise you that you won't see it one more time.

Sandoval: All right. And then at some point, and this is a thought I just had, can we get an analysis of what the cost per service is, so every time they assist somebody?

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- Sisco: Okay.
- Sandoval: Thank you.
- Sisco: Cost per service.
- Sandoval: Member Savage.
- Savage: Governor, along the same lines, I had a couple of questions on this because I know this came up in the March and April meetings. And the concerns follow the Governor's regarding the cost benefit analysis. I think it would be very helpful to get a report over the past two years from the contractor for the incidents and the reports of those individual incidents, because I notice that we spend close to -- over \$12 million over the last five years for this service. And I know it's a very good service. I'm concerned about the cost benefit analysis to ensure that the dollars are correct for the value. Thank you.
- Sisco: Okay. We'll add that to the list. And then we have also 6D, which is a report on the settlement of the last BOE meeting. And, Mr. Holland, did you want to touch base on that?
- Holland: I'm sorry.
- Sisco: Item No. 6D is a report on the settlement at the last Board of Examiners meeting.
- Holland: I don't have the...
- Malfabon: This is the one, Governor. I was present at the Board of Examiners meeting. It was a parcel along Blue Diamond Road that became landlocked or located by the railroad tracks. And we built a new bridge over the railroad tracks, so this property owner was landlocked. And we achieved a settlement with the owner and also talked to Clark County about paving some local roads for access to this parcel.
- Clark County, by agreement, owed us some -- we're amending the agreement with Clark County on the Blue Diamond Project because we put in some flood control improvements. And they actually are admitting that agreement to give us nearly \$1 million of other fees that they collected from developers in that area because NDOT made some other improvements such as traffic signals.

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So they'll be spending some of that money on paving their local roads to give access to this parcel, and the surplus of those funds will come to NDOT. So it's a good settlement. Clark County's participating by transferring some of their collected fees from developers and everybody will be okay in the end, that he'll get his paved road.

It also affected another settlement property. It actually wasn't a settlement, but we went to court and prevailed in court and you previously heard about that issue. We were being sued for several millions of dollars and settled for hundreds of thousands of dollars -- I mean, the judge's decision was for hundreds of thousands.

Sandoval: And even in this case, if I recall correctly, we settled for less than the value -- I mean, yes, we settled for less than the value of the property, so this was a very good result for the department and the state.

Malfabon: Yes.

Sandoval: Any questions for Board members from the remainder of Agenda Item No. 6?

Sisco: Thank you.

Sandoval: Thank you, sir. Agenda Item No. 7, public auctions.

Malfabon: Governor, when there's a -- when a parcel is over 5,000 square feet, we do put it out for public auction. You'll see in Item No. 8 that's coming up, there's some direct sales to adjacent property owners, but that has to do with the size of the parcel. So No. 7 is for disposal of NDOT property and all of those parcels over 5,000 square feet in size.

Sandoval: Do any Board members have any questions with regard to Agenda Item No. 7? Member Fransway.

Fransway: Thank you, Governor. It mentions a fair market value being obtained for these different parcels. My question is, is that where they start with the opening bids on these as the lowest bid acceptable?

Saucedo: Paul Saucedo, for the record, Chief Right-of-Way Agent. Yes, Mr. Fransway. Typically on these we will get a fair market value for the property and then the bids start at 10 percent below fair market value and that's in the NRS statute.

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Fransway: Okay. That answers that. Thank you.

Saucedo: You're welcome.

Sandoval: Any further questions? Southern Nevada, do you have any questions with regard to Agenda Item No. 7?

Martin: No, sir.

Sandoval: Hearing no further questions, the chair will accept a motion.

Fransway: Governor, I would move to approve the parcels for disposal as indicated in Items A through F.

Sandoval: We have a motion for approval of the items described in the Agenda as 7A through F by Member Fransway. Is there a second?

Martin: Second.

Sandoval: Second by Member Martin. Any questions or discussion on motion? Hearing none, all in favor, please say aye.

Group: Aye.

Sandoval: Opposed, no. Motion passes unanimously. Agenda Item No. 8. Mr. Director.

Malfabon: Governor, Board members, on No. 8, these are the parcels that are less than 5,000 square feet and considered remnant parcels that we want to dispose of. We have a process where we checked whether there's any need to retain these parcels and we don't need them, so we're bringing them to the Board as a direct sale to adjacent property owners.

Sandoval: Any questions from Board members on Agenda Item No. 8A and B? Hearing none, Chair will I accept a motion for approval?

Savage: I'll move to approve Agenda Item 8, both A and B, for direct sales.

Sandoval: Member Savage has made a motion for approval of Agenda Item 8A and B. Is there a second? Second by...

Martin: Second.

Sandoval: ...Madam Controller. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

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Group: Aye.

Sandoval: Opposed, no. Motion passes unanimously. Agenda Item No. 9, approval of Administrative Modifications to 2012/2015 STIP. Ms. Larkin?

Larkin Thomason: This is actually a fairly short list. There are no amendments and we are coming to the end of the federal fiscal year, so this should be pleasant for me. Administration for the RTC of Southern Nevada, the Administration Modification No. 7, basically it just transfers some CMAC funds over to the FTA section, just a straight transfer. These are funding that is primarily under the jurisdiction of the local entity.

Administration Modification No. 8, it is the additional increases, the NHS funding for the freeway service patrol from 1.5 million in FY12 to 3.13 million and 3.8 million in '12, '13 and '14 respectively. And Administration Modification No. 9, this is -- actually there was no addition of money. It was really just a cleaning up of the scopes, some description changes we put there.

And Administrative Modification No. 10, it was adding \$475,000 of public lands highway funding to the F-Street Project. Administration Modification No. 12, this is some -- it adds some funding, a project and funding, into the local, their transit system funding. And just for general information, the one-call one-click phone call is basically, that's where the call centers work with the chronic disease center and people can call in for transit rides to the hospital or to the medical centers and so on, so it's in there.

For Washoe County, we have an administration...

Sandoval: Excuse me.

Larkin Thomason: I'm sorry.

Sandoval: I thought I'd catch you now before you move to Washoe on this Southern Nevada...

Larkin Thomason: I didn't move fast enough.

Sandoval: This is associated with that question on the freeway service patrol. We're essentially doubling the amount of money for that in '12, '13 and '14. Do

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you know what the underlying reasons are for doubling that amount of money?

Malfabon: On the freeway service patrol, we were re-procuring it and we determined that we wanted -- since it was federal aid, we wanted to put a disadvantaged business enterprise goal, so minority contracting goal on it. Because of the way that we pay freeway service patrol providers is by the driver per hour, so there's not a way to pay directly for a sub, and there's not direct involvement of a subcontractor, so it's more supplies or support function.

In procuring that, we wanted to have the language developed that told the service provider how are we going to count achievement of that percentage. We had a three percent goal for DBEs. And we talked with all of the providers that had put in for it, because we had gone out for procurement, they didn't meet it to our satisfaction. One provider had it for if they wrecked their vehicle and they were going to take it to a body repair shop, they were going to use a firm for that.

And we thought, well, that's not -- that's kind of just if you need it you're going to spend it on that. We thought that they should do better at trying to achieve that goal monthly service or an annual service that's going to definitely get paid out to (inaudible) contractors. So we decided to re-procure it, but we were running out of time on the existing contract, so we extended their contract. That's why it doubled, because we extended the time period while we were doing the re-procurement for freeway service patrol provider in Washoe County and Clark County.

Sandoval: It's not agendaized this way, but I'm curious just to get a little more background. I probably could speak for Member Savage as well, as what the scope of that service is. So I have a flat tire, that's pretty obvious, they stop and help me. If my car heats up, they stop and help me. But what the scope of their service...

Malfabon: We definitely will do that. I know that there's so many hours of operation and so many days of the week primarily, as well as the weekend, that they provide that service and we'll get you that information as far as hours of operation and days of the week that they provide that service. And also, the number of times that they're responding to those incidents, because they keep those records.

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- Sandoval: Thank you.
- Malfabon: Oh, Rick, you have it already. We'll provide it in the future, the next Board meeting, as an old business item. We'll give you those statistics.
- Sandoval: Washoe County, please.
- Larkin Thomason: In Washoe County the Administration Modification No. 2, basically it updates some funding for the, again, the Federal Transit Administration Section 5316 on their new freedom program and the job access reverse commute program. Administration Modification No. 3, this adds a state of good repair grant funding. It's for digital radio system. That's the RTC ride and access programs at \$1.147 million.
- In the Carson City area, we're adding -- basically we're buying one bus for \$220,000 for the Carson. And in Tahoe MPO, this actually goes back to the Nevada Stateline-to-Stateline Bicycle Facility Project, that south demonstration phase, and it shows the 517,000 of state gas tax funding. That was directly from the project submittal program. And then also 2.5 million in public lands, highway discretionary funds.
- Sandoval: Questions from Board members with regard to Agenda Item No. 9.
- Martin: I have one question, Governor.
- Sandoval: Please proceed.
- Martin: The 475,000 to F-Street two-lane underpass, we awarded that, or that was awarded here a while back. What's the \$475,000 for?
- Larkin Thomason: I'm sorry I'm pausing. I'm just trying to pull it out. Dennis, can you help me? Is Jenica here? I can have that information to you in a few minutes, but I don't have it off the top of my head.
- Martin: Thank you.
- Sandoval: Member Martin, would you like to hold action on Agenda Item No. 9 if we can get that information to you within the next few minutes?
- Martin: That would be fine, sir. Thank you.
- Sandoval: We'll hold action on Agenda Item No. 9 and move on to Agenda Item No. 10, adoption of the 2012 Nevada State Rail Plan.

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Furedy:

Governor, Members, Matthew Furedy. Matthew Furedy from the rail planning section. And we're pleased to bring the completed rail plan to you for the adoption. The rail plan started back in October of 2010 and it was an 18-month process. The total initial budget for the plan was to be approximately \$1.5 million including an FRA grant of about \$640,000 and \$500,000 from the FHWA. And I'm pleased to announce that the project came in at approximately \$80,000 under budget.

These are some laws that were relating to the plan and they include the Passenger Rail Investment and Improvement Act of 2008. And this established new federal policy patterned after federal highways programs. The rail program mandate includes new requirements to develop state rail plans that include three elements; passenger rail, high speed rail and freight rail, and also mandated that the states update their rail plan every five years.

NRS 705 lays out the state requirements for the rail plan. And NRS 408, NDOT should not operate any railroad. This was brought up due to the limiting factor on what solutions the state could take in the plan. Initial project goals for the project were to enhance safety and efficiency of the rail transportation system, address social, economic, environmental and energy effects and attempt to streamline the process of our organization.

Going into the plan we knew we would have some competing projects and that NDOT wanted to make it clear that we support all legitimate projects until a time that a project becomes a clear choice, either through the planning or environmental process, but that the department does not specifically endorse the development of any one project over another.

The study process included two rounds of technical advisory committee meetings that were held both in the north and the south, and two rounds of public meetings that were held in Las Vegas, Reno and Elko. Other stakeholder involvement included 32 one-on-one meetings with entities including UPR, our BNSF, Western High-Speed Rail Alliance, and our partners in the states around us.

With the help of the technical advisory committee and public meetings, we defined our mission, vision, goals and objectives that the plan would follow. Throughout the 18 months we coordinated with several ongoing studies in order to limit the duplication of effort within NDOT and other

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agencies, which included the I-15 corridor and connecting Nevada and some others.

Finally, the team came up with a list of projects that would be evaluated and prioritized. This prioritization projects followed a four-step process. Obviously it was to identify all projects from stakeholders and the public meetings and the TAC. The second was to evaluate these projects on whether they needed further study to define their concept, had implementation issues that constrained them from moving ahead, or whether it was a -- should be taken up with a private entity directly, such as UPR or BNSF. And the projects that did not move ahead after these could be reevaluated the next time we updated the state rail plan.

The projects that went past that to an advanced evaluation, selection factors were created by the department with the assistance of the technical advisory committee, including the project's timeline and estimated costs. They were evaluated based on mission, vision, goals and objectives developed through the TAC and public meetings, and then identified the congressional and/or business approvals that would be needed. And then the fourth step was, recommended the type of support that NDOT should provide either through policy support or funding support.

Types of projects that were identified include, under conventional passenger rail, the X-Train, which would run along UPRR lines from Southern California to Las Vegas. The winter games study for the Reno, Tahoe bid and obviously that's been pushed back from the 2022. And under high-speed rail, Desert Express, which is now Express West, the Maglev Project, the Western High Speed Rail Alliance, which included the Golden Triangle, with connections from Southern California, Phoenix and Las Vegas. And also I'd like to note that Desert Express did receive their rod last summer I believe.

Excursion Rail, there's three in Nevada, two with projects; Northern Nevada Railway extension in White Pine County and the Virginia & Truckee Extension into Carson City. Freight rail projects include UPRR's future in-state projects including the CTC controls, the sightings and crossovers, upgrading UPR Donner Pass in California, upgrading Northern Nevada Railroad's short line and the relocation of the Fallon Transload Facility and the shortening of those tracks which was put to us by Fallon.

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And also we were going to recommend continuing the funding of the rail highway grade crossings that NDOT does now. This is the same list of projects, but just put into the schedule of zero to five years, six to twenty or more than twenty years. And lastly I'd like to talk a little bit about the challenges we had with the plan or conducting the plan. Getting good technical advisory committee participation due to the great distances in Nevada between our population centers, and these were addressed with early advanced notice and follow-up. And we also had teleconferencing and video for those who could not attend.

Another challenge was dealing with competing projects, specifically down in Southern Nevada, between Southern Nevada and Southern California. The I-15 right-of-way had several projects. And other projects that were brought to our attention late in the game, almost near the completion of our plan, but those projects were identified, were possible due to time in our plan, or if they couldn't be, then they were put into the appendices. Their information that they gave us was put into the appendices. And that's all I have. Any questions?

Sandoval: Did you actually rank the projects? You said you were going to do these evaluations.

Furedy: They're not ranked as in, you know, one, two, three, but they are -- like I said, there was two steps -- I mean, two matrices that we came up with. One had all the plans and another one had the plans that moved forward because they were at a late -- more complete projects that were better ready to go and had...

Sandoval: I guess that's my point. There are some projects that are much more mature than others, and is that made plain in that report?

Furedy: It is discussed, yes. Absolutely.

Sandoval: Questions from other Board members? Member Fransway.

Fransway: Thank you, Governor. So where exactly does the revenue come from to fund a rail plan?

Furedy: Well, like I said in the beginning, 640,000 came from a high-speed passenger rail grant from the FRA, from the Federal Railroad Administration, 500,000 came from FHWA, which funded the freight portion of the plan, and the rest was state money.

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- Fransway: Okay. You said that you're \$80,000 in the black?
- Furedy: Yeah.
- Fransway: Okay. Thank you.
- Furedy: Thank you.
- Sandoval: Questions from Southern Nevada?
- Martin: None.
- Malfabon: Governor, I wanted to mention, as Matt had mentioned that there are several projects that are competing with each other along this quarter, particularly in Southern Nevada. We talked with the Pullman Palace Car Company who is also looking at Vegas to Southern California as an alternative. And they brought to our attention that one of the other competitors was saying that the State of Nevada and NDOT endorsed their project which was competing with them.
- And we wanted to add just a statement to the -- as a policy, NDOT does not endorse a particular project over another. We do support the transportation opportunities whether it moves on highways, runways, sidewalks or railroads, and we'll work with all partners on opportunities within the state, but the department does not specifically endorse one project over another. So that's the statement that we will add to the draft with your approval so that it doesn't give the perception of endorsing one competing project over another.
- Sandoval: Agreed. And I don't think we should be in the business of doing that. I guess part of my question is, as I said, we have some projects that are more mature than others. Do we slow down others -- or slow down the ones that are more mature by some coming, as you described, being late in the game and putting that within the -- having a reference in the rail plan to that?
- Furedy: What I meant by late in the game is we were nearing the completion of our plan and some project -- a specific project came to us and actually told us they were trying to stay under the radar and so -- but that they were going to go ahead and give us the information. And so we did. We were able to add that to the plan, but it may not have been as in-depth as it could have

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been if we had gotten that information earlier. But it doesn't necessarily mean that the project wasn't a good project or...

Sandoval: Yeah, and I'm not going there. I guess we have limited staff and resources and these are really big issues, big question issues. And at some point where do we make a decision that one is more mature than the other, one is more realistic than the other?

Furedy: I'd actually like to defer that to Tracy. That's kind of more above my pay grade, so Tracy.

Larkin Thomason: What is unique about a lot of the rail projects is most of these negotiations go on without participation from NDOT. We don't operate the rails. Normally the UPRR and so on, they're -- sorry, UPRR, and they go into negotiations with them so there was an X project, there was a Y project, there is several other projects. Their negotiations with UP, they negotiate with them. Does it work for them? Can they do this? There's a lot of negotiations going on with the X project now, I believe, like over Daggett's Pass and so on. Those really are completely independent of anything from NDOT. And most of them are -- they don't want the information out earlier, so sometimes we're not aware of how far they are in the maturity. Am I going around the question?

Sandoval: No, I understand. I guess, I'm trying to boil this down so that -- we have one bit of right-of-way and...

Larkin Thomason: Correct.

Sandoval: ...there are folks that are all competing for that one bid.

Larkin Thomason: It's almost like any permit and so on. It's almost like first come, first serve. When it comes in, if you're ready to advance and move on, we will be working with you first, and then everything subsequent that is measured on how that affects our facilities and the facilities already in the right-of-way.

Malfabon: And a lot of the project proponents have to follow the process that's specific to their funding source. So if they're going to get -- such as Express West, formerly Desert Express, if they're going to get a federal loan, they have to comply with the NEPA, the environmental requirements, and they did get their approval of that versus another, maybe a competing, such as the Maglev that hasn't advanced far enough.

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So it really is whoever's done their work, has their ducks in a row and comes to NDOT with everything ready, then we start working with them on if they want to use the right-of-way. Some of the other projects are just using the UPRR tracks and negotiating directly with them and trying to get private financing, so they're more independent and don't have as much coordination with NDOT.

Sandoval: Any further questions from Board members on this Agenda item?

Martin: None down here, sir.

Sandoval: Then the Chair will accept a motion for the adoption of the 2012 Nevada State Rail Plan.

Malfabon: Governor, could you mention the issue about the with no specific endorsement?

Sandoval: Yeah, thank you, Mr. Director. And we would add to the 2012 Nevada State Rail Plan that the State of Nevada does not endorse any specific project. Does that satisfy you, Mr. Director?

Malfabon: Yes. Thank you.

Sandoval: Is there a motion?

Fransway: Mr. Chairman, Governor, I would move to adopt the rail plan as submitted and note that State of Nevada has no particular endorsement.

Sandoval: Endorsement of a particular project.

Fransway: Yes.

Sandoval: We have a motion by Member Fransway. Is there a second?

Wallin: Second

Sandoval: Second by Madam Controller. Any questions or discussion on the motion? Hearing none, all in favor of the motion, please say aye.

Group: Aye.

Sandoval: Opposed, no. Motion passes unanimously. We'll move back to Agenda Item No. 9. Do we have that information that was sought in prior discussion?

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- Larkin Thomason: The additional funding was added for some additional bridge work that was being done underneath the I-15 area. Is that satisfactory to you?
- Malfabon: Member Martin, it was for the F-Street Bridge. When the City of Las Vegas was identified in the NRS as far as it adjusted the funding of that F-Street project, they identified the funding source when it was apparent that that funding source would not contribute enough funds for the project. The City of Las Vegas came back to NDOT and we actually went to the interim finance committee to report that we needed some federal funds put towards this project, and that's what the additional money is going to, for construction of the F-Street Bridge.
- Martin: Thank you, sir. I appreciate it.
- Sandoval: Thank you very much. Does that satisfy you, Member Martin?
- Martin: Yes, sir. With that, I move for approval of Agenda Item No. 9.
- Cortez Masto: I'll second the motion.
- Sandoval: Member Martin has made a motion to approve the administrative modifications to the 2012/2015 STIP, second by Madam Attorney General. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.
- Group: Aye.
- Sandoval: Opposed, no. Motion passes unanimously. Agenda Item No. 11, presentation of wind warning system for U.S. 395 and I-580 in Washoe and Pleasant Valleys. A lot of interest in this Agenda item.
- Nelson: Good morning, Governor, members of the Board. My name's Rick Nelson. I'm the Assistant Director of Operations. I have a very brief presentation to make and will certainly entertain all the questions that you might have. The wind blows in Washoe Valley, absolutely it does. The department has had a wind warning system of some kind for the motorist through Washoe Valley for probably over 30 years.
- When I went up to the district in 1989, it was a very old system, had distinguishable message signs. It was basically a bulb behind a silk-screened message with an anemometer at the fire station in the center of Washoe Valley, and it was simply a toggle on and off switch. In the early

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1990s, we upgraded that system, quite frankly, because we couldn't buy the bulbs for the sign anymore.

They were only available in France and they had a very strange voltage and so on. And so as part of our road weather information system project, a project where we deployed remote weather stations throughout the state, we installed one of those weather stations in Washoe Valley and put in some dynamic message signs.

And those signs were in place until the I-580 project came through. And one of the things that generated some concern with respect to the wind speed in Washoe Valley was the fact that the anemometer wasn't placed in the same location as it was before. Instead of being at the fire station, it was moved a little farther to the north. And as you recall, a golf course was built in Washoe Valley and the owner of that business expressed some concern because, of course, when you have a great big dynamic message sign saying the wind is blowing, it kind of takes the edge off people wanting to go play golf.

So what we did was we commissioned the first study to look at the wind speeds in Washoe Valley. And what we did was we did an analysis between the winds at the fire station and the winds at the new RWIS site and found that there was very tight correlation between those two locations. The wind speed was not that variable between those two places and we continued on.

When we established the new system, there was some concern about the wind threshold trigger values. In other words, the wind speed that triggers the warning or the prohibitive message. Because when we built the new station, we simply migrated the old criteria over to the new. So we commissioned UNR, that was the Department of Mechanical Engineering, to do a study on vehicle stability to try to zero in on what wind speed should we have an alert for to begin warning motorists of high winds and at what speed should we prohibit motorists.

And what they came back with, and it was a very simple analysis, but it did have some very interesting results. One of the first things that came up was different vehicle configurations have differing susceptibility to instability with respect to the wind speeds. And so we can't create a warning for every specific vehicle that goes through, so at that point there was the initial steps to identify what the design vehicle might be. And

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through that analysis, the critical vehicle, of course, is a semi, a 40-foot long semi that is unloaded. And so that sort of became the standard, if you will, for establishing those wind speed thresholds.

Now it was a fairly complicated set of rules for establishing the wind warnings and what we had had was the two messages based on a sustained wind speed over a ten-minute period and wind gust, a gust over that ten minute period. So the not advised message would go up when the sustained winds were between 15 and 29 miles an hour, or if the wind was gusting between 29 and 39. So you would get a not advised message if the winds were steady between 15 and 29, or there was a gust of 40.

Now, the prohibited message would go up if the sustained winds were -- you know, I've practiced this so many times it's very confusing. Prohibited message would go up if sustained winds were greater than 30 or gusting over 40, so that's when the prohibited message would come about.

So what we did was we hired a firm and several subcontractors to do another study of the wind speed threshold values; one, because there was some concern from the trucking industry about the amount of time we had prohibited high profile vehicles through Washoe Valley. Plus, we're adding a new link, the I-580 link, and the concern associated with the winds over the Galena Creek Bridge. This is the recommended wind thresholds for the new system, which includes the link between Mount Rose and Bowers Mansion, in addition to an evaluation of the wind speeds along State Route 429, Bowers Mansion.

So what we've done is we've expanded our operational area, if you will, from just Washoe Valley to include the new link of I-580 and Bowers Mansion Road. We felt this was fairly important because historically when the winds have prohibited high profile vehicles through Washoe Valley, the trucks tend to use Bowers Mansion as an alternative then, and we sort of on purpose did not make any statements with respect to the susceptibility of high profile vehicles on Bowers Mansion. And when you get to the very southern end where that piece of 429 parallels 395, we had experienced some vehicles that had tipped over in that region.

So the new proposed wind speed thresholds go now from, instead of factoring in gusts and steady wind speeds and so on, we've shortened our sampling frequency to a minute and we're looking at wind speeds between

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20 and 40 miles an hour giving an alert message. We're not calling it a warning anymore because the National Weather Service has a specific definition of what a warning means and it was causing some confusion between when the National Weather Service issues a wind warning, which is a more generic message, to our alerts for the specific pieces of highway. So the alert message has gone up to between 20 and 40 and it will be prohibited over 40.

And the same through Washoe Valley. And I apologize, there is a typo on this slide. There's an inconsistency between the prohibited over 40 miles an hour on this slide, and the Attachment A in your book. It is in fact 35 miles an hour. And that becomes important with respect to the speeds. The speed limit through Washoe Valley is 70 miles an hour. And the analysis that was performed takes into account vehicle dynamics associated with the speed of the vehicle. So the prohibited message will go up when the wind speeds are over 35. But what this does do is it improves the availability, if you will, of passage through Washoe Valley, because remember before the steady wind speeds between 15 and 29 would generate a prohibited message, so this actually gives us a bit more opportunity to go through Washoe Valley.

Now, in Bowers Mansion, because the vehicle speed is important, what we are going to do is issue a variable speed limit, so when the winds are over 35 miles an hour, we're going to drop the speed limit on State Route 429 to 45 and that'll allow the high profile vehicles to pass with wind speeds up to 40 miles an hour. So what we're doing is we're taking into account the vehicle speed with respect to these wind speed threshold values.

Let's see. The other thing that the study did recommend was improving our traveler information package, so as a result of this we're going to install some additional ITS devices, some additional weather stations, so we can get a better profile of the winds; also, highway advisory radios and dynamic message signs so we can improve getting that message out to the motorists.

Now, as we went through the process of this study, we also reached out to two stakeholder groups. The first group was the West Washoe Valley CAB. They're the citizens on the west side of Washoe Valley that have some impact when the prohibited message goes up through Washoe Valley because that's the primary bypass route, if you will, for trucks.

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They had a fair amount of concerns. And we also reached out to the trucking industry and we had two rounds of meetings with both of those stakeholder groups; one to get their input as the study was commencing, and secondly to present the results to them and get some feedback from them, which was positive in both cases.

These new threshold values have, in fact, been implemented with the opening of the I-580 link. And while there's some differences in configuration at Bowers Mansion -- because the fact that that interchange isn't finished yet, you know, as you drive through there you'll see that that ramp is open for high profile vehicles during wind events. That will all be cleaned up when the freeway project is finished. So with that, I will be happy to answer any questions that you all might have with respect to winds.

Sandoval: First I want to compliment you on the whole project. I've traveled the road several times, heard nothing but great things. People are very, very pleased with it. So I think it's been a great addition to the infrastructure in Northern Nevada. It's just a really nice project. Now, when you say prohibited, that's just the big trucks, correct? Not prohibited to all traffic?

Nelson: That is correct. That's high profile vehicles. You notice there's some additional definition on the warning signs that talks about high profile vehicles over nine feet. And, again, the control vehicle is an empty vehicle. We've had very good cooperation with the highway patrol enforcing that prohibited message with respect to trucks that tend to violate the sign.

Sandoval: And I get asked this question a lot, so I can answer definitively, is there a difference between the warning in the rules for Washoe Valley and I-580? So, in other words, the same wind rules apply as you go through Washoe Valley as when you're traveling up on I-580?

Nelson: That is correct. Well, Denise might be kicking me behind the podium, but -- oh, that's right. I apologize. The difference is -- again, I apologize for the error in my slide. Washoe Valley will be prohibited when the winds are over 35 miles an hour because the vehicle speed is 70 miles an hour. On the new I-580 link, they'll be prohibited when the winds are over 40 miles an hour because the speeds are at 65. Now, you'll also...

Sandoval: More than likely it will be open more then up there.

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Nelson: Likely. Yes.

Sandoval: And I guess the point I'm making is, this information's important so that I can answer because there's somewhat of a perception out there that that road's going to be closed -- I-580's going to be closed all the time, and that's not the case.

Nelson: I believe that to be not the case. Only time will tell, but as the construction project has gone on over all these years, we've had a temporary weather station set up there. Initially, of course, all the big cranes have anemometers on the cranes and so we were sort of watching the winds there. But towards the end we actually put a weather station, a temporary weather station there and interestingly enough the winds in the Galena Creek Bridge area tend to be less than the winds reported in Washoe Valley.

Sandoval: That's a good fact to know. And this study doesn't include weather events though? Other weather events, I should say, like snow?

Nelson: The analysis of the vehicle dynamics during high wind events did take a look at when the road was wet versus when the road is dry. One of the bases of their analysis had to do with sliding friction. And of course during, you know, snow and wet events that friction value goes down. What's difficult to try to incorporate those values into an operational system is we're measuring whether the road's wet or dry based on an area about this big over all these miles of road. And there's been a lot of spirited discussion about where you measure that two-square inch patch. Is it in the wheel path or on the edge or the center? It can give you widely varying results, so we chose to go with the more conservative values, the wet values, in establishing these thresholds.

Sandoval: Because that's the other question I get is once you're up there, you're up there. And between there and the Melrose Highway, and so what are the criteria going to be for the closure of that road, because, again, if you've got a severe weather event and someone's going to have to make that call, because, as I say, it's not like you can pull over or get off or anything like that.

Nelson: One of the things that came up in the writing of this report has to do with forecasted winds in effect. There was a recommendation that talked about trying to incorporate forecasted high wind events into this. And the

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department does have a third party meteorologist working for us. If you haven't seen the agreement for them, you will at some point in time because that's a service that we do put out to bid to give us specialized weather forecasts.

And the intent is to incorporate those forecasted events into a predictive model, but right now this is automatically controlled. When the wind speeds reach that trigger velocity, the messages go out, the signs come on. They stay on for a period of time. I think it's 20 or 30 minutes. So even though you're measuring that wind speed over a very short period of time, once it triggers, that message will stay on to provide some stability for the motorists.

Sandoval: Where will that message sign be going northbound, so that you can make your decision whether you're going to go up on 580 or not?

Nelson: Well, there will actually be two decision points; one actually in Carson City before you get to that Washoe Valley segment, and then there'll be another segment with enough warning so that if you need to get off at the Bowers Interchange, you'll be able to do that.

Sandoval: Okay. I have no further questions. Other Board members? Member Fransway.

Fransway: Thank you, Governor. Am I right, did I hear you say that you're trying to make this system work both with audio and visual aids? In other words, when this thing triggers, can it also trigger the 511 road condition that lets people know ahead of time, so that they don't get on the road and rely upon a visual warning system only?

Nelson: Yes, Member Fransway. It's a total package. The traveler information package is a total package. So when that event triggers, not only do the signs come on for the motorists that are there, it also populates that message to 511, highway advisory radios. In fact, the media's been very good at picking it up and rebroadcasting it through the media outlets as well.

Fransway: That's excellent, yeah. Thank you.

Sandoval: Other Board member questions? Any questions from Southern Nevada?

Martin: No, sir.

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- Sandoval: I guess one last question, given all these modes of communication, will there be some kind of an app so that you might get a text message or something if you subscribe to that type of service?
- Nelson: Yes. And the reason I hesitate a little bit is because, as you recall, the Board just approved the agreement for our new 511 system, and I think there will be lots of enhancements associated with the new 511.
- Sandoval: And the genesis of my question is a purely selfish motive, but I'm going to have two kids and a wife that are traveling that road every day and my kids, they won't be talking on the cell phone, I assure you, but before they leave, if they got a text message that let them know what the conditions were, that would be I think really helpful. And I think my kids are pretty representative of a lot of that generation and others that are relying on these iPhones for information.
- Nelson: In fact, they can sign up for that right now, and we'll get you the particulars on how to make that happen.
- Sandoval: Great. Thank you. Any further questions with regard to Agenda Item No. 11? Hearing none, Agenda Item No. 12, old business.
- Malfabon: Agenda Item No. 12 is to summarize the outside counsel costs on open matters. As you can see, there are several legal firms that provide assistance to NDOT. Typically, we'll try to do as much as we can in-house using the Attorney General's deputies. In some cases you've seen the support that we receive from these outside counsels. There is (inaudible) provided assistance on the I-580 project to deal with some claim issues that we've settled. I believe that there are no other outstanding issues that we're aware of. Oh, yes, there was kind of a second tier issue with a subcontractor that we will have to deal with.
- But the next one was -- the Pioneer Program was for the public/private partnerships and looking at tolling opportunities should we have that authority granted by the legislature, so we had legal assistance from Nasumen (sp?) through that effort. And we have a balance that, if we need to, during the legislative process, we did submit a BDR for P3s and if we need to we still have a small balance available to provide that assistance.

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The Chapman Law Firm assisted us on Project Neon with the acquisition of some parcels there where we had to deal with inverse condemnation or actions that the opposing counsel was saying that we started our project earlier than we -- we have a certain process in acquiring property. They were saying that we affected them much earlier in the ballgame, so we had Chapman Law Firm help us out.

The Wall Street case was brought to you previously and approved by the Board of Examiners as a settlement. Ad America is going on right now. Chapman Law Firm also helped us out on the Blue Diamond RV case on the second page. That's the one that I had mentioned that we saved several millions of dollars that the other folks were saying that we owed them millions of dollars, and we had a decision in court that put that to rest for hundreds of thousands of dollars.

I mentioned the Clark County assistance on paving their local roads to provide access to that property, as well as the (inaudible) parcel. They're currently helping us out on Vegas Group LLC, which is associated with Project Neon. We recently negotiated a settlement last week, so we intend to take that settlement to the Board of Examiners for approval. It was along the lines of what we had had a recent appraisal for the parcel plus some additional costs that we feel is a good settlement for the State of Nevada. They're also involved in another case on Project Neon that's mentioned there. It's ongoing still.

The other firms, Snell and Wilmer, are helping us on the P-construction cases up in Wells with the wildlife crossing and Contract 3377 here in Northern Nevada. Snell and Wilmer's also helping us on a Southern Nevada project involving Williams Brother Incorporated. And finally we have BH Consulting which is helping us on the radios and the communication issues with rebanding, rechanneling of NDOT's 800 megahertz frequency radio system.

Sandoval: Did the matter -- the one that I, as you know, have been paying particular close attention to is where we paid \$6 million in fees to a particular firm. Is that this first item on this attachment (inaudible)?

Malfabon: That was a separate -- that was for the Ames case, so that was a separate case and that's all settled.

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- Sandoval: I guess where I'm going is we approved \$1 million not long ago in additional funds, and because we resolved the case sooner, that was \$1 million to get us through trial, but we settled the case. I was curious how much we retained of that \$1 million that had been approved?
- Malfabon: I don't know. Rick, do you know? We didn't have to go to court. We could bring that forward to you as old business item to report how much we saved by not going to court on that.
- Sandoval: Any further questions from Board members with regard to Agenda Item No. 12?
- Martin: None here, sir.
- Sandoval: Move on to Agenda Item No. 13, public comments. Is there any member of the public in Southern Nevada that would like to provide comment to the Board?
- Martin: None here, sir.
- Sandoval: Is there any member of the public here in Carson City that would like to provide comment to the Board? I'll close the public comment. There is not an adjournment item on the Agenda. I'll take a motion to adjourn anyway. Is there a motion to -- this was going to be a meeting that never ended.
- Savage: Governor, I'll make a motion to adjourn.
- Sandoval: There's a motion to adjourn by Member Savage. Is there a second?
- Fransway: Second.
- Wallin: Second.
- Sandoval: Second by Member Fransway. Any questions? Hearing none, all in favor, please say aye.
- Group: Aye.

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Sandoval: Motion passes unanimously. Thank you, members of the Board. Thank you, ladies and gentlemen. This meeting is adjourned.



Secretary to the Board

Preparer of Minutes